



IRISH LIFE INVESTMENT MANAGERS (ILIM)

The week that was – WEEK 02 (ending 08/01/2016)

"You never fail until you stop trying." – Albert Einstein

Central Bank to review mortgage rules – The Central Bank's new governor, Prof Philip Lane, has said the controversial Central Bank mortgage rules, which have particularly affected first-time buyers, will be reviewed in the summer. He stressed, however, that the rules could be either tightened or loosened.

Global stock markets have worst start to year since 2000 – Amid the China-led rout that engulfed markets around the globe, world stock markets suffered their worst start to a year since 2000. The falls in the main were attributed to China's decision to use market emergency measures and also the oil-price slump.

Euro zone unemployment rate hits a 4 year low – Statistics agency Eurostat has reported that unemployment across the 19-country euro zone has fallen to its lowest rate in four years with a fall to 10.5% in November, compared to 10.6% in October. The number of unemployed fell by 130,000 in November.

China scraps 'circuit breaker' – At an emergency meeting convened by China's cabinet on Thursday, senior officials decided that only four days after its introduction, the circuit-breaker mechanism, intended to prevent a free fall in Chinese stocks, would be suspended. The circuit breaker had to be used twice during the week.

U.S. payrolls jump in December gives boost to economic outlook – The U.S. Labor Department reported that non-farm payrolls increased by 292,000 last month giving a fillip to prospects for the economy going into 2016. October and November payrolls were also revised upwards, adding to the upbeat tone of report.

Oil price drops 10% over the week – Brent Crude hit a near 12-year low during the week with a further drop to \$33.55 a barrel for a weekly loss of about 10%. That was the lowest price settlement since June 2004, caused by concerns about demand with the China economic slowdown and the global over supply.

The Story of the week: British aviator Tracey Curtis-Taylor landed in Australia after flying 3 months solo in a 1942 vintage open cockpit biplane from the U.K. She flew across 23 countries, making over 50 refuelling stops.

DISCLOSURE:-

Irish Life Investment Managers Limited is regulated by the Central Bank of Ireland. While Irish Life Investment Managers uses reasonable efforts to ensure that the information contained in this document is current, accurate and complete at the date of publication, no representations or warranties are made (express or implied) as to the reliability, accuracy or completeness of such information. Irish Life Investment Managers therefore cannot be held liable for any loss arising directly or indirectly from the use of, or any action taken in reliance on, any information contained in this document. This material is for information only and does not constitute an offer or recommendation to buy or sell any investment, or subscribe to any investment management or advisory service. The performance shown represents past performance and does not guarantee future results. Past performance is not indicative of future results.



Index Performances and Market Data*

Equity Markets % (in Local Currency)	2010	2011	2012	2013	2014	2016 YTD (to 08/01)
ISEQ Overall Return	-0.1	2.6	20.5	35.8	16.8	-3.3
FTSE 100 TR	12.6	-2.2	10.0	18.7	0.7	-5.3
Euro Stoxx 50 TR	-2.8	-14.1	18.1	21.5	4.0	-7.2
S&P 500 TR	15.1	2.1	16.0	32.4	13.7	-5.9
Nasdaq Composite	16.9	-1.8	15.9	38.3	13.4	-7.3
Nikkei 225	-3.0	-17.3	22.9	56.7	7.1	-7.0
MSCI Emerging Markets	11.7	-14.9	13.9	0.9	2.6	-5.5
MSCI World	7.8	-7.6	13.1	26.2	7.7	-6.1
Sovereign 10yr Bond Yields (%)	2010	2011	2012	2013	2014	2016 YTD
US	3.3	1.9	1.7	3.0	2.2	2.2
German	3.0	1.8	1.4	1.9	0.5	0.5
UK	3.4	2.0	1.9	3.0	1.9	1.8
Japan	1.1	1.0	0.7	0.7	0.3	0.2
Ireland	9.1	8.4	4.5	3.4	1.3	1.0
Italy	4.8	7.1	4.6	4.1	2.1	1.6
Greece	12.5	31.7	12.7	8.2	9.6	8.4
Portugal	6.6	13.4	6.9	6.1	2.7	2.6
Spain	5.5	5.1	5.4	4.1	1.6	1.7
Central Bank Rates (%)	2010	2011	2012	2013	2014	2016 YTD
ECB	1	1	0.75	0.25	0.05	0.05
Bank of England	0.5	0.5	0.5	0.25	0.50	0.50
US Federal Reserve	0.25	0.25	0.25	0.25	0.25	0.50
Foreign Exchange Rates	2010	2011	2012	2013	2014	2016 YTD
Euro/Dollar (€/\$)	1.34	1.30	1.31	1.37	1.21	1.09
Euro/Sterling (€/£)	0.86	0.83	0.81	0.83	0.78	0.75
Sterling/Dollar (£/\$)	1.56	1.55	1.61	1.65	1.56	1.46
IPD All Property Return (%)	2010	2011	2012	2013	2014	2015 YTD
Ireland	-2.4	-2.4	3.1	12.7	40.1	10.9 (Q 2)
UK	14.5	8.1	2.7	10.7	17.8	6.5 (Q 2)
US	14.8	14.5	5.3	11.4	11.2	7.2 (Q 2)

*Past performance is not a reliable guide to future performance